THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Under the Portfolio investment Scheme, investment by an individual NRI investor through stock exchanges in equity/preference shares and Convertible Debentures of any single listed Indian Company should not exceed 1% of its total paid up equity capital or preference capital. or 1% of total paid up value of each series of convertible debentures issued by it. The collective ceiling for all such investments by all NRIs/OCBs in a single company is 5%. However, if a General Body Resolution passed by the shareholders of a company so resolves the collective ceiling for NRIs' investments through stock exchanges in that company could be upto 24% as against the normal ceiling of 5%. There is no restriction on the number of companies in which such purchases can be made by the NRIs.

Unaccounted Money Investment by Dibrugarh Industrialist

1925. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Commissioner of Income Tax, Shillong was personally informed in writing on 5th September, 1991 at his Dibrugarh camp of the details of substantial investment of unaccounted money and thereby huge tax evasion by the Bansidhar Badridas Modi group of Dibrugarh;

(b) if so, the details thereof and what action has been taken in the matter so far;

(c) whether the said Commissioner was also informed in the above communication about the active collusion by one Hulash Mal Varma, Chartered Accountant and Messrs Insty Prints both at Dibrugarh;

(d) if so, what are the details thereof and what action so far has been taken in the matter; and

(e) if no action has been taken in respect of (a) and (c) above, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The allegations relate to tax evasion by Smt. Saraswati Devi Bharuka, Shri Sajjan Kumar Bharuka, Shri Pradip Kumar Bharuka, Shri Ramesh Kumar Agarwalla and M/s. Gopilal Narsinghlal HUF. Proceedings under section 147 of the I.T. Act, 1961 have been initiated by the assessing officer for the assessment year 1983-84 in respect of Smt. Saraswati Devi Bharuka, Shri Sajjan Kumar Bharuka and Shri Pradip Kumar Bharuka.

(c) and (d) No, Sir. However, the enquiries conducted by the Income Tax Department have revealed that one Smt. Shakuntala Agarwalla (Bharuka) received salary from Shri H.M. Varma during 1988-89 and from M/s. Insty Prints, Dibrugarh during 1989-90. She has filed her returns of A.Y. 1988-89 to A.Y. 1991-92. Assessments for first three years have been completed and assessment of A.Y. 1991-92 is pending.

(e) Does not arise in view of replies to part (a), (c) and (d) above.

Impact of Economic Reforms on rural poor

1926. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report of U.H.D.P. calling for cushioning the adverse impact of India's economic reforms on the poor of the country;

(b) if so, what are the details thereof;

(c) whether it is a fact that Government have evaluated the impact of these reforms on the poor;

(d) if so, what are the details thereof;

(e) whether it is also a fact that Government propose to take corrective steps in this direction; and

(f) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Per-

haps, the question refers to Human Development Report of UNDP for 1993, which has a section on India as a part of liberation studies discussed in chapter 3 of the Report. As per their views, economic reforms initiated in 1991-92 are still in early stages and it is too early to assess its impact. However, there are some early indications. On the positive side, capital has started to return to India. There are signs of improved industrial efficiency as liberalisation has encouraged foreign investment, permitted the import of higher levels of technology and wide range of foreign goods often of better quality than local goods. On the negatice side, the reforms destabilised financial markets, led to stagnation of industrial output and forced some companies out of business. The Report further states that the rural poor, more than a third of India's population are paying a price for the reforms but not yet seeing many of the benefits. Report concludes that although the reforms are proceeding along the right lines, there is need to cushion the adverse impact on the poor by improving the efficiency and coverage of social programmes.

(c) to (f) The surest and most durable route to poverty alleviation lies in rapid, broad-based and sustained growth of output and employment. Fundamentally, our reform programmes are being formulated to achieve this goal. Policies are under constant review so that there is no undue burden on the people. The Government have also brought out a Discussion paper on "Economic Reforms—Two Years after and the Task ahead". The paper inter-alia gives the rationale of economic reforms undertaken until now, broad results achieved and reforms agenda for the next three years.

The most important benefit of the reforms has been the success in bringing down the rate of inflation from nearly 17% in August 1991 to 5.5% as on July 17, 1993. It is well known that inflation hurts everybody particularly the poor. Therefore, control on inflation has been of a vital benefit to the poor.

The Public Distribution System (PDS) has been strengthened and expanded to 1700 specially identified backward blocks

Budget for 1993-94 has removed excise duties on tea and coffees and reduced excise duties on other mass consumption items such as vanaspati, soaps, matches, footwears and dry battery cells.

The Government have also augmented budgetary provision for special employment and poverty alleviation programmes. The budget for 1993-94 increased the plan outlay for rural development by 62 per cent and allocation for Jawahar Rojgar Yojna by 60 per cent for creating additional 1100 million mandays of employment. Outlay for health has been stepped up by 60 per cent, that for elementary education by 55 per cent and that for agriculture and allied activities by 30 per cent. Further, for social safety net, a National Renewal Fund has been set up to fund schemes for compensation and redeployment of workers affected by restructuring. For the year 1993-94, budget provision of Rs. 700 crores has been made for NRF.

Financing Help to SSIs from SFCs

1927. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the empty coffers of the State Financial Corporations (SFCs) have stalled the growth of small scale industries (SSIs) in the country;

(b) if so, the reasons therefor;

(c) whether it is also a fact that of nearly 9,000 SSI units slated to have gone into production with financial aid from the SFCs by May-end, barely 260 have gone on stream, mainly because the concerned SFCs have not been releasing the loan instalments as per schedule; and

(d) if so, what steps have been taken by Government to protect the survival of such units; the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) No, Sir. The financial assistance disbursed by SFCs during 1992-93 aggregated Rs. 1700 crore as compared to Rs. 1500 crore during 1991-92 thereby showing a growth of 13%.